(c) the reasons for the decline and the steps proposed to be taken to boost exports; and

(d) whether in view of the export performance during April-September, 1998 there is any justification of Commerce Minster's optimism, as expressed to the press on November 11, 1998 in New Delhi, in achieving 15 per cent export growth target in the current financial year?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Exports during April-September, 1998 are estimated at US $ 16269.74 million which are 3.28% lower than that in the corresponding period of 997. In Rupee terms exports grew by 12.26% during this period. Imports during April-September, 1998 are estimated at US $ 21260.67 million which is 10.06% higher than the figures for the correspoding period in 1997.

(c) The exports were affected due to a general slow down in world trade, especially recession in many countries in South East Asia, Japan and Germany, domestic supply constraints in some sectors such as agriculture commodities and barriers faced in markets of European Union. A number of steps have already been taken to promote exports which include lowering of interest rates on export credit, reduction in transaction cost through decentralisation and simplification of procedures, and various other measures as enumerated in the Exim Policy. A Cabinet Committee on Foreign Trade has also been set up to review export performance.

(d) Yest, Sir.

Ban Imposed on Import of Shrimp

10. SHRI PREM CHAND GUPTA: Will the Minister of COMMERCE be pleased to state:

(a) Whether it is a fact the WTO Appellate Body in a recent ruling rejected the ban imposed by the USA on the import of shrimp harvested from countries that do not require the use of US approved Turtle Extruded Devices (TED); and

(b) if so, what is the impact of this decission on our export of Shrimps?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) The Appellate Body of the World Trade Organisation (WTO) in its Report dated 8th October, 1998 found the prohibition imposed by the United State on the importation of certain shrimp and shrimp products under Section 609 of Public Law 101-162 to be inconsistent with Article XI of the General Agreement on Tariffs and Trade (GATT), 1994 and also found it to be not justified under Article XX of the GATT, 1994 and recommended to the Dispute Settlement Body of the WTO to request the United States of America (USA) to bring its measure into conformity with the obligations of the USA under that Agreement. The Dispute Settlement Body in its formal session held on 6th November 1998, has adopted the Panel and the Appellate Body Reports.

(b) On implemention of the rulings and recommendations made by the Panel and Appellate Body of WTO on this subjects, the export of shrimps from India to USA is likely to go up.

STC Tie up with United Bank of Switzerland

11. SHRI SURESH KALMADI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the State Trading Corporation has tied up with the United Bank of Switzerland to import gold on unfixed consignment basis; and

(b) if so, the details of the agreement?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) State Trading Corporation has an agreement signed on 3rd April, 1998 with Swiss Bank Corporation (SBC), Zurich for bringing gold and/or silver, at the sole discretion of SBC, on consigment basis. Consequent upon the merger of SBC with Union Bank of Switzerland effective from 29th June, 1998, a new Bank "UBS AG", was created. The Operation of consigment agreement which is in the form of the extension of SBC's vaults in STC's premises now rests with Warburg Dillon Read, an Investment Banking Divn. of UBS-AG.

(b) Salient details of the agreement are:

— Placing of gold at the disposal of STC on consignment basis without having made a physical purchase. Gold can be brought at New Delhi, Ahmedabad and Mumbai;

— All expenses starting from customs clearance, customs duty etc. till the goods are sold to local buyers are to be borne by STC;

— The title of the goods shall remain with the SBC till the goods are purchased and paid for by STC. Price for the specific quantity intended to be purchased is to be fixed by obtaaining quotation from SBC.

Export of Jewellery

12. KUMARI NIRMALA DESHPANDE: Will the Minister of COMMERCE be pleased to state:

(a) what has been the export earnings from gems/diamonds and jewellery for the last five years and projections for exports during the next five years;

(b) whether Government have taken fresh initiatives to harness huge export potential of diamond industry with a pragmatic package of financial incentives and facilitations;

(c) if so, the details thereof; and

(d) the details of efforts made/proposed to up grade the technology?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHAN HEGDE): (a) Export earnings from gems\diamods and jewellery for the last 5 years is as follows:

(Value US $ Million)

1993-94	1994-95	1995-96	1996-97	1997-98
3994.70	4500.40	5275.44	4744.30	5093.40

Source: Directorate General of Commercial Intelligence and Statastics (DGCI &S), Calcutta.

Considering the present trend of exports of gems and jewellery, it is expected that the total exports of gems & jewellery may cross US$ 7000 million by the end of next 5 years.

(b) and (c) Significant modification have been made in the Exim Policy to meet the growing needs of the trade and make it export friendly. Some of the important initiatives taken to harness the export potential of diamod industry are: (i) Private/public bonded warehouses have been permitted in Export Processing Zones (EPZs) Domestic Tariff Area (DTA) for import, supply and re-export of rough diamonds and precious & semi-precious stones. Besides import and re-exports of cut and polished, precious & semi-precious stones is also permitted with a minimum value addition of 5% (ii) Permission has been given to Export Processing Zones (EPZs) Export Oriented Units (EOUs) to supply unsuitable or broken, cut & polished diamonds, precious & semi-precious stones or rough diamonds upto 5% of the value of import or indigenously procured goods to the Domestic Tariff Area (DTA) against valid (REP or GEM REP or Diamond Imprest Licence on payment of appropriate duty, (iii) Export or rough diamond has been permitted with 95% against relevant Bill of Entry in the name of exporter, (iv) Overseas companies with branch offices in India with an average annual diamond turnover of not less than Rs. 150 crores during the preceding three licenssing years, have been made eligible to obtain bulk licence for import and sale of rough diamonds.

(b) With a view to encourage the modernisation and upgradation of machinery and equipment in the gems & jewellery industies, the threshold limit of the CIF value of the Capital Goods for zero import dury under the export Promotion Capital Goods (EPCG) scheme has been brought down form the earlier level of Rs. 20 crores to Rs. 1 crore only. The Gem & Jewellery Export Promotion Council (GJEPC) has been interacting with the Research and Development Wing of the multinational companies dealing in diamonds and has been disseminating the latest available information on latest technological developments in the processing of rough diamonds to all its members. The Indian Diamod Institute, Surat which has been promoted by GJEPC and Ministry of Commerce, has also been imparting training to the diamond industry in the use of new technologies and processes.

Dumping of Hard Ferrite Ring Magnet

13. SHRI VEDPRAKASH P. GOYAL: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact the during 96-97 hard ferrite ring magnets were being dumped into India in huge quantities from China;